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STATE PASS ATT/W

E.O. 12958: N/A

TAGS: PGOV TW
SUBJECT: TAIWAN'S DECEMBER ELECTIONS: COOPERATION AND COMPETITION WITHIN BLUE AND GREEN COALITIONS

REF: TAIPEI 4158

SENSITIVE BUT UNCLASSIFIED. PLEASE PROTECT ACCORDINGLY.

- 11. (U) Summary: With Taiwan's local elections six weeks away, both Pan-Blue and Pan-Green coalitions have been working to cooperate on candidates to eliminate intra-coalition competition. After several months of off-again-on-again negotiations, the Pan-Green camp's Democratic Progressive Party (DPP) and Taiwan Solidarity Union (TSU) and the Pan-Blue camp's Kuomintang party (KMT) and People's First Party (PFP) have each achieved a mixed bag of cooperation and unresolved competition. The two Green parties remain in direct competition in one race and the Blue parties in four races. End Summary
- (U) Originally, 77 candidates registered to run in the 5 city mayor and 18 county magistrate races on December 3 -- 20 DPP, 20 KMT, 4 PFP and 4 TSU, with the remaining 31 candidates running on independent tickets. Subsequently, one DPP candidate withdrew and one PFP candidate was disqualified, leaving 75 candidates in the race. The Central Election Committee (CEC) is reviewing the candidates' qualifications and will announce a formal list of candidates on November 22.

## Pan-Blue Cooperates In All But Four Races

- (SBU) The KMT and PFP succeeded in reaching agreement on candidates in many districts, leaving Keelung and Taichung cities and Hualien and Miaoli counties with Pan-Blue candidates facing -- and undermining -- each other. Kinmen County, the KMT, PFP and pan-Blue New Party have agreed to jointly support incumbent New Party Magistrate Lee Chu-fen, while in Lienchiang County (Matsu), the KMT will support incumbent PFP Magistrate Chen Hsueh-sheng. In return, PFP candidates in Ilan and Hsinchu counties have return, PFP candidates in IIan and Hsinchu counties have withdrawn and pledged to support the KMT candidates there. In Taipei County, generally viewed as the most important race, PFP member Wang An-pang pulled out in lieu of KMT candidate Chou Hsi-wei. The two parties agreed to cooperate in Chiayi City in support of KMT legislator Huang Ming-hui for Mayor, and former PFP legislator Hsieh Chang-hsieh pulled out of the Changhua County race. Chang Jung-kung, Director of the KMT Central Committee Mainland Affairs Department, told AIT that the PFP agreed to withdraw its candidates in Chiayi City and Changhua County thanks to mediation efforts by Legislative Yuan (LY) Speaker Wang Jin-pyng and local
- (SBU) In Keelung City, incumbent KMT Mayor Hsu Tsai-li and PFP legislator Liu Wen-hsiung are in a bruisingly close race with each other, while the joint Pan-Green candidate, TSU's Chen Chien-ming, is trailing ten points behind. Liu

and Hsu have a history that makes it unlikely either will In 1997, Hsu ran as an independent against Liu, drop out. then the KMT candidate, splitting the pan-Blue vote and allowing the DPP candidate to score an upset victory. Now Hsu and Liu are once again locked in head-to-head competition. In Taichung City, incumbent KMT Mayor Jason Hu has a considerable lead in the polls. With a large percentage of undecided voters, it is possible but unlikely that his re-election could be affected by PFP legislator Shen Chih-hui's insistence on remaining in the race. KMT offic Chang Jung-kung told AIT that the PFP tried to make a deal KMT official with the KMT, proposing that its candidate drop out of the Taichung City race in return for the KMT candidate dropping out of the Keelung race. The KMT did not agree because it believes Jason Hu will win in Taichung regardless of whether there is a PFP candidate, and the KMT sees no reason to give up the Keelung race, where its candidate is the incumbent mayor.

15. (SBU) Hualien County incumbent KMT Magistrate Hsieh Shen-shan is expected to win another term in spite of a challenge from PFP legislator Fu Kin-chi. KMT Mainland

Affairs Director Chang told AIT that while the PFP has little chance of winning in Hualien County, it has decided to keep its candidate in the race to put pressure on the KMT and maintain PFP influence. While the largely Hakka Miaoli County is normally a safe Blue district, the surprise KMT choice of a non-Hakka candidate has made the race unexpectedly competitive. Several Hakka candidates have joined the fray, Soochow University Professor Emile Sheng noted, and this may actually help the KMT candidate by splitting the Hakka vote. More generally, Chang and Sheng both said that nonviable candidates sometimes enter races just in hopes of collecting payoffs or other benefits in return for dropping out or not campaigning hard. According to Sheng, new KMT Chairman Ma Ying-jeou has refused to engage in the traditional payoff practice.

# Pan-Green Cooperates In All But One Race

16. (SBU) On the Pan-Green side, integration negotiations were considerably smoother. The DPP and TSU were able agree on joint candidates in all election districts except Tainan City, where DPP incumbent Mayor Hsu Tain-tsair and former TSU legislator Chien Lin Hui-chun will campaign against each other and against KMT candidate Chen Jung-sheng. Mayor Hsu continues to lead in public opinion polls. DPP Keelung City nominee Wang Tuo dropped out of the race at the last minute, throwing his support to the TSU's Chen Chien-ming, and the TSU returned the favor by dropping plans to run a candidate

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in Chiayi City. According to Emile Sheng, other potential DPP candidates in Keelung, who had been prevented from entering the race because of Wang Tuo's candidacy, were incensed when Wang dropped out in favor of a TSU candidate. TSU candidate Chen has picked up only a portion of Wang's

supporters, with other supporters backing the KMT candidate. Pan-Green parties did not bother to nominate any candidates in the Blue stronghold islands of Kinmen and Matsu (Lienchiang County).

# Campaign Oddities

- (U) Although the Pan-Blue vs. Pan-Green match-up will be the main event in most cites and counties, there are a few unusual situations. In Nantou County, two Pan-Blue candidates are running against two Pan-Green candidates. DPP incumbent Nantou County Magistrate Lin Tsung-nan is running as an independent after an unexpected failure to win his party's renomination. The DPP candidate is Tsai Huang-lang. KMT County Councilman Lin Ming-chen is also running as an independent after losing the KMT nomination to Lee Chao-ching.
- (SBU) In Taitung County, none of the four parties nominated a candidate. Rather, DPP and KMT candidates are running as independents in the footsteps of popular incumbent independent Magistrate Hsu Ching-yuan, who is not running for re-election. Hsu supports his Deputy Magistrate, DPP member Liu Chao-hao. The KMT refused to nominate Wu Chun-li because of his involvement in a corruption lawsuit, so Wu is running as an independent candidate. According to Emile Sheng, the KMT is still supporting Wu despite the corruption lawsuit, and the DPP is providing support to Liu.

## Districts To Watch

19. (SBU) Taipei County is the defining contest for both Pan-Blue and Pan-Green camps, according to AIT's contacts. KMT campaign strategy, Chang told AIT, is to characterize the December 3 race as the second and final battle between President Chen and Mayor Ma (the first being Ma's 1998 victory over Chen for Taipei Mayor) and to portray the December 3 elections, particularly Taipei County, as a precursor to the 2008 presidential election. By contrast, the DPP candidate in Taipei County, Luo Wen-jia, has been trying to distance himself from the beleaguered President Chen, whose ratings in public opinion polls have plummeted due to a series of scandals and government problems. Luo's introduction of the "New DPP Movement" had been intended to do just that. However, almost all polls and pundits agree it has hurt rather than helped him.

110. (SBU) In addition to Taipei County, the KMT is focusing its efforts on winning Ilan County and Chiayi City, both long under the rule of the DPP, which calls these two districts "the sacred lands of democracy." Of the races where Pan-Blue parties could not settle on one candidate, Keelung City and Wisoli County are the most competitive districts where the Miaoli County are the most competitive districts where the KMT risks defeat.

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